

Russian Manufacturing Sees Glimmer of Hope Amid Recession

By [The Moscow Times](#)

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Russia's manufacturing sector saw only a modest decline in March compared with previous months, indicating that the industry may enjoy some stability in the short term, international bank HSBC said on Wednesday.

HSBC's Purchasing Managers' Index (PMI), a composite indicator that tracks businesses' output, new orders and hiring, fell from 49.7 to 48.1 in March. Although this was the fourth straight monthly decline, HSBC said it was a relatively mild drop, cushioned by some instances of positive growth, fewer layoffs and a sharp drop in price inflation.

"With inflation falling back sharply over the month, there is hope of at least near-term stability," Paul Smith, senior economist at financial services company Markit, was quoted as saying in an HSBC press release.

Russian businesses have struggled as a whole from diminished access to capital and the rising

cost of imports, a result of the ruble's fall of around 40 percent to the U.S. dollar since the beginning of 2014 on the back of low oil prices and Western sanctions over the Ukraine crisis.

The Russian economy is expected to contract by at least 3 percent this year. On Wednesday, the World Bank said that Russia's economy will shrink 3.8 percent this year, a sharp revision of their December forecast of a 0.7 percent decline.

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